



Office of the Mayor

ACTION CALENDAR
May 30, 2017

To: Members of the City Council

From: Mayor Jesse Arreguín and Councilmembers s Kate Harrison and Cheryl Davila

Subject: Housing Related Referrals

RECOMMENDATION

Review the list of outstanding affordable housing-related Council referrals and direct the City Manager to implement a short-term Affordable Housing Action Plan based on the following priority items, which are organized by short-term (less than 1 year) and medium-term (2-3 years) timeframes. It should also be noted that items will still be referred to the Housing Advisory, Homelessness, and/or Planning Commissions as necessary:

FUNDING:

Short--Term

- Eliminate discount in Affordable Housing Fee if paid at issuance of building permit; require full fee at building permit, and add periodic increase by reference to California Construction Cost Index (CCCI).
- Increase commercial housing linkage fee by CCCI.
- Adopt Council policy that 2/3rds of short-term rental tax be allocated to AHTF the Affordable Housing Trust Fund (with remaining 1/3 to the arts).
- Work with Rent Board to identify the causes and remedies for ~~examine~~ shortfalls in current collection of business license tax.

Medium Term

- Collaborate with BHA Board to invest capital funds from sale of the public housing for more affordable housing. A possible option is to have loans repaid with income from project-based vouchers.
- Include Land Value Capture fee in future area development plans.

NEW DEVELOPMENT/LAND ACQUISITION:

Short Term

- Develop Measure U1 Priorities and Implementation Criteria. Include consideration of ability to leverage funds and possible bonding against revenues.
- Design a Small Sites Program to assist non-profits in acquiring existing properties that fall under certain criteria with the intention of allocating \$1-\$2 million annually. As a first step, contact owners of seven apparently vacant

properties constituting 68 rental units for their interest in selling them to non-profit affordable housing developers or land trusts that could rehabilitate them, and then rent the units at affordable rents. As a second step, investigate properties that are being vacated over time for possible purchase to retain affordable housing. Consider master leasing as a mechanism for managing distinct, smaller properties.

- Develop an ordinance modeled after Washington D.C.'s Tenant Opportunity to Purchase Act that offers existing tenants the first right of refusal when property owners place rental property on the sale market, which can be transferred to a qualifying affordable housing provider.
- Identify Parcels of City owned land appropriate for seizing assisted-living modular micro unit buildings; take affirmative steps to speed the permitting and approvals process; obtain zoning approval and a building permit and approvals process for the creation of below market housing; identify a housing non-profit to be responsible for managing and operating the building; and establish criteria for selecting individuals and determining eligibility.
- Examine and eliminate barriers to building and renting ADUs.
- ~~Provide flexibility to Council to establish higher affordable housing percentage requirements in given areas of the City. Reflect these differences in area plans (e.g., for San Pablo, Adeline Corridors).~~
- Evaluate feasibility of developing affordable senior housing above Senior Centers.

Medium Term

- Investigate the feasibility of developing workforce housing, in conjunction with Berkeley Unified School District, for teachers and employees. The investigation should include research into what other California jurisdictionseities (such as San Francisco, Oakland, Santa Clara, and San Mateo County) are considering as part of their pursuit of School District workforce housing.
- Utilize list of vacant city properties developed by city staff and further examine opportunities for placing affordable housing on these sites.

POLICIES:

Short Term

- Provide flexibility to Council to establish higher affordable housing percentage requirements in given areas of the City. Reflect these differences in area plans (e.g., for San Pablo, Adeline Corridors).
- Refer to the City Manager and Planning Commission an ordinance to clarify existing preferences in allocating City affordable housing units to Berkeley residents living within 1/2 mile of any new development and tenants evicted under the Ellis Act, expand the second category of preference for eligible tenants displaced under the Ellis Act to include certain tenants displaced through an Owner Move-In or (Measure Y) auction.
- Establish a City maintained online resource that would provide a brief overview of the history and purpose of Below Market Rate (BMR) units, a current list of all buildings that contain BMR units and the characteristics of the units, the % of median income qualification levels for the units, the HUD published income

guidelines for % of median and family size, the property owner, rental agent, and/or management company contact information, and other relevant information that would be helpful to potential renters of BMR units. The City shall update the information as more units become available, and quarterly, to ensure that information is current.

Medium Term

- ~~Create specific per acre density standards to strengthen City posture vis-à-vis the State Housing Accountability Act.~~
- Draft an ordinance for a new City Density Bonus plan to allow developers of multi-family housing to add up to 15% more density in exchange for fees only.
- Amend planning code to allow housing and other non-commercial uses on the ground floor.
- ~~Create specific per acre density standards to strengthen City posture vis-à-vis the State Housing Accountability Act.~~
- Green Affordable Housing Package policy #1: Prioritize housing over parking in new developments. Reduce parking in R-4.
- Impose fees when multifamily properties are destroyed due to fault of property owner (Demolition ordinance, RHSP, Relocation fees, fines).

PERMIT STREAMLINING:

Short Term

- Designate admin powers to Zoning Officer to expedite permit approval for affordable housing.
- ~~Designate admin powers to Zoning Officer to expedite permit approval for affordable housing.~~

Medium Term

- Streamline AH Permitting process for Projects with majority of AH; Remove Structural barriers to AH (Green AH Package Policy #2).

ANTI-DISPLACEMENT:

Short Term

- Establish Office of Anti-Displacement.
- Expand legal eviction defense of Berkeley tenants beyond current 10-20% receiving this assistance.
- Increase the Rental Assistance Fund for Berkeley tenants.
- Provide housing counseling and legal services for Berkeley's low-income, elderly or disabled distressed homeowners.
- ~~Change administration of Relocation Ordinance to the Rent Board once a unit is determined to be uninhabitable by Code Enforcement (akin to administration of Ellis Act evictions), to insure tenant protections~~
- Hold fines on Oregon Park Senior Apartments (OSPA) in abeyance with the agreement - that and until the OSPA conducts a financial audit and structural review and hires a property manager.
- Develop enforcement tools for Short-Term Rentals/Section 8.

Medium Term

- Adopt the following measures to encourage landlords to accept Section 8 and Shelter + Care vouchers: 1. Create a list of qualified, efficient, and affordable contractors vetted by the City, and a discount or waiver of permit fees, to support bringing their unit(s) to code; 2. Provide legal and/or mediation support, offered either through the City or a partner, in negotiating Landlord/Tenant disputes out-of-court; 3. Allow parcel and/or property tax reductions based on the percentage of property of units that are currently Section 8 and/or decided during annual Section 8 inspection; and 4. Identify organizations who can support financial literacy and management for Section 8 tenants, including establishing bank accounts with direct deposit to Landlords.

STAFFING:

- Create a City Manager's report on progress of the Housing Action Plan.
- Create a Deputy Director or Division Manager.

BACKGROUND

Berkeley, like other Bay Area cities, is facing an affordable housing crisis. Addressing the housing affordability crisis and preventing homelessness are top priorities of the City government. In April 2016, the Berkeley City Council prioritized 49 housing related items and directed staff to develop a Housing Action Plan. Council directed staff to develop a Housing Action Plan reviewing all 49 housing referrals, researching best practices in other cities, and identifying strategies with the greatest potential to impact Berkeley's housing affordability crisis.

Council specifically authorized funding for up to \$364,000 to \$375,000 to hire staff and consultants to develop a Housing Action Plan. Since that time new referrals have been voted on by Council to address the affordability crisis.

To assist in researching and evaluating affordable housing solutions, Mayor Arreguin convened a Housing Task Force (for a list of members of the Mayor's Housing Task Force see Attachment 3). Several proposals recommended by the Mayor's Task Force have been included in the attached list of priorities.

Given that Berkeley is facing an unprecedented housing affordability crisis, it is critical that Council identify its housing priorities, and staff work to immediately implement those priorities. This item requests that the City Council approve a list of housing related referrals as priority projects for staff implementation this two-year budget cycle, which will allow Berkeley and non-profit partners to leverage state and local funding sources.

FINANCIAL IMPLICATIONS

Staff time to implement prioritized housing referrals. Staff work can be leveraged with new funding sources to increase housing resources, including Alameda County Measure A1, Measure U1 and state funds.

ENVIRONMENTAL SUSTAINABILITY

No adverse effects to the environment

CONTACT PERSON

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Attachments:

1. Prioritized list of Housing Council referrals
2. Mayor's Housing Task Force members